<u>REMARKS</u>

Applicant thanks the Patent Office for the careful attention accorded this application and respectfully requests reconsideration in view of the present Amendment set forth above and remarks set forth below.

In response to the Office Action dated March 19, 2007, Applicant has canceled Claims 2-5 without prejudice or disclaimer and has amended Claim 1 to include many of these limitations, modeled after Claim 108 which has been allowed in Applicant's copending Application Serial No. 09/513,440 filed February 25, 2000, entitled "SYSTEM FOR REDUCING RISK IN PAYMENT-BASED TRANSACTIONS WHEREIN A RISK FILTER ROUTINE RETURNS INSTRUCTIONS AUTHORIZING PAYMENT TO A PAYMENT QUEUE FOR LATER RE-EVALUATION". Applicant has also amended Claims 1, 6, 17, 19, 25, 26, 33, 34, 55, 59, 62 and 64 to avoid any basis for rejection under 35 U.S.C. 112.

Applicant has also amended the Abstract of Disclosure and Title to Invention.

Applicants also submit herewith a Terminal Disclaimer to avoid any double-patenting rejection over Applicant's copending Application Serial No. 09/513,440.

As amended, Applicant firmly believes that the prior art of record, including US Patent No. 5,717,989, when taken as a whole, fails to disclose, teach or suggest the computer-implemented method of reducing risk in foreign exchange payment-based transactions between financial market participants, involving Users, Third Parties, Payment Banks, Counterparties, Currencies, Clean Payment Limits, Payment Types and the like. In marked contrast, US Patent No. 5,717,989 is concerned specifically with settling purchase orders (POs) arising in connection with the trade of goods and service.

US Patent No. 5,717,989 does not disclose, teach or suggest the use of a risk filter routine in a method of reducing risk in foreign exchange payment-based transactions between financial market participants, nor "automatically generat[ing] an available balance for the

counterparty based upon the at least one user-supplied risk parameter, payments made by the account holder, and payments received by the account holder," as claimed.

While US Patent No. 5,717,989 discloses that the "funder is responsible for setting credit limits as part of account parameters," Applicant firmly believes that this is not to be equated with "generating an available balance for the counterparty based upon the at least one user-supplied risk parameter, payments made by the account holder, and payments received by the account holder", as recited in amended Claim 1. As such, Applicant's claimed method provides a far more complex and robust model for the risk position of a counterparty, as required in connection with foreign exchange payment-based transactions between financial market participants, where typically, numerous transactions between financial market participants must be settled at the end of the day.

US Patent No. 5,717,989 concerns itself with "filtering" purchase orders (POs), and not foreign exchange payments-based transactions arising in connection with global foreign exchange transactions.

Also, US Patent No. 5,717,989 does not disclose, teach or suggest a storing instructions in "a payment queue", as recited in amended Claim 1, and that Applicant firmly believes that "storing lines of instructions from a purchase order", as disclosed at lines 36-52 in Column 5 of US Patent No. 5,717,989 is not equivalent to storing "a first (payment) instruction in a payment queue" as recited in amended Claim 1.

Also, unlike the present invention defined by amended Claim 1, Applicant firmly believes the prior art references, when taken alone or in combination with each other, clearly fail to disclose, teach or suggest the claimed foreign exchange risk-reduction method, wherein during processing of a foreign exchange payment-based transaction, a risk filter routine is used to determine whether to selectively reject payment authorized by a first instruction based upon at least one user-supplied risk parameter associated with the counterparty;

wherein the risk filter routine

automatically generates an available balance for the counterparty based upon the at least one user-supplied risk parameter, payments made by the account holder, and payments received by the account holder;

automatically accesses the first instruction stored in the payment queue; and

automatically determines whether to selectively reject payment authorized by the first instruction based upon the available balance;

wherein the risk filter routine automatically rejects payment authorized by the first instruction in the event that the amount of payment authorized by the first instruction exceeds the available balance; and
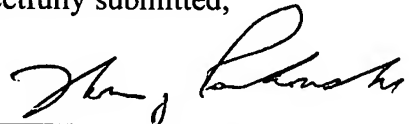
wherein the risk filter routine automatically returns the first instruction to the payment queue for later re-evaluation.

Dependent Claims 6-64 are directed to subordinate features of the present invention, and are not found in US Patent No. 5,717,989, or other prior art references of record.

In view, therefore, of the Amendment and Remarks set forth above, Applicant firmly believes that the present invention, defined by amended Claims 1 and 6-64, is neither anticipated by, nor rendered obvious in view of the prior art of record, and that the present application is now believed to be in all respects in condition for allowance.

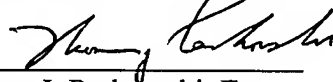Favorable action is earnestly solicited.

Respectfully submitted,

Dated: September 19, 2007

Thomas J. Perkowski, Esq.
Reg. No. 33,134
Attorney for Applicant
Thomas J. Perkowski, Esq., P.C.
Soundview Plaza
1266 East Main Street
Stamford, Connecticut 06902
203-357-1950
http://www.tjpatlaw.com

<u>CERTIFICATE OF FIRST CLASS MAIL</u>
<u>UNDER 37 CFR 1.8</u>

I hereby certify that this correspondence
is being deposited with the United States Postal Service
on September 19, 2007 as First Class Mail,
in a prepaid postage envelope
addressed to:

Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

_____
Thomas J. Perkowski, Esq.
Dated: September 19, 2007